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February 2, 2010

BUREAU OF WATER PROTECTION AND LARIO REUSE OFFICE OF THE BUREAU CHIEF

FEB 0 4 2010

Mr. Paul E. Stacey
Department of Environmental Protection
Bureau of Water Protection and Land Reuse
Planning & Standards Division
79 Elm Street
Hartford, CT 06106–5127

Re: Proposed Str

Proposed Stream Flow Standards and Regulations

OFFICE OF CONSUMER COUNSEL WRITTEN COMMENTS

Dear Mr. Stacey:

The Office of Consumer Counsel (OCC) is the State of Connecticut's statutory advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities. OCC's advocacy includes the promotion of beneficial policies for ratepayers, such as the conservation of water and energy resources. OCC participates actively in proceedings before Connecticut State Agencies, the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission (FCC), and state and federal courts.

OCC herewith files its <u>Written Comments on the Proposed Stream Flow</u>
<u>Standards and Regulations.</u>

OCC appreciates the Department of Environmental Protection's efforts to implement Public Act 05-142 through the drafting of new stream flow standards and GNSHAREDAT/DEP Streamflow 2010/streamflowcomments 020210.DOC

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regulations. These standards and regulations which are required to balance environmental, public health, safety and economic interests to meet the needs of the residents and businesses of the state, would apply to all rivers and streams, promote and protect usage for recreation, and be based on natural variations of flow and the best available science.

As the statutory advocate for utility ratepayers, OCC believes that the draft regulations, as currently proposed, fail to adequately protect existing public drinking water supply sources. The draft regulations would likely limit the amount of water supplies available for public health, safety, industry and recreation and jeopardize the ability of public water suppliers to meet their obligations to serve their customers (our clients). As a result, the current draft could:

- Limit the safe yield of existing sources of supply which would reduce the margin safety for many public water supply systems;
- Adversely impact the quality and aesthetics of water supplies;
- Impact economic development, limiting growth for new and existing businesses;
- Result in moratoriums on new customer hook-ups;
- Impose more frequent and lengthy water use restrictions; and,
- Require the development of new sources of supply and the additional interconnection of water systems.

The proposed regulations as currently drafted will impose a heavy burden on investor owned, municipal and regional water utility entities, requiring hundreds of millions of dollars of new capital expenditures to comply with new stream flow standards. This will also result in tens of millions of dollars of annual water rate increases for customers of the State's public water systems to support the capital and

Mr. Paul E. Stacey Department of Environmental Protection Page 3

operating costs of compliance, monitoring and reporting requirements. While these extraordinary costs and societal changes may be an unintended consequence of these proposed regulations, since the economic burdens fall only on the citizens who are customers of public water systems, they are clearly discriminatory and improperly use water utility bills as a form of hidden taxation...

Last, but certainly not least, the effect of these proposed regulations on available water supply and water rates could drastically impact economic development in many communities as they plan future water supply and smart growth policies. This could in turn directly impact economic recovery and job growth as the State tries to recover from the worst economic conditions since the Great Depression.

OCC has always worked closely and cooperatively with other State Agencies and stakeholders to resolve important public policy goals. OCC is prepared to assist in developing balanced regulations that meet the mandate of the statute and the needs of the residents of Connecticut. These are important regulations and standards, but there are critical public policy and economic goals that must be protected before they can be adopted in order to protect the State's current and future public water supply, as well as the economic and well-being of the public water suppliers and their customers..

Very truly yours,

MARY J. HEALEY CONSUMER COUNSEL

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Richard E. Sobolewski

Supervisor of Technical Analysis